

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

OCT 21 2003

FILED

EDWARD P. ALEXANDER and MARILYN M.  
ALEXANDER,

Plaintiffs,

v.

Q.T.S. CORPORATION, et al.,

Defendants.

OCT 17 2003

WAYNE R. ANDERSEN  
U. S. DISTRICT COURT JUDGE

No. 98 C 3234

Hon. Wayne R. Andersen

**REPORT REGARDING SETTLEMENT ADMINISTRATION  
AND REQUEST FOR AUTHORIZATION TO COMPUTE PROPOSED  
DISTRIBUTIONS TO CLASS MEMBERS AND  
TO PAY COSTS AND ADMINISTRATIVE FEES**

Plaintiff Eileen Cook, as Trustee of the Edward P. Alexander and Marilyn M. Alexander Trust and as Guardian of the Estate of Edward P. Alexander, by her attorneys, reports as follows as to the administration of the settlements herein, and requests authorization to compute proposed distributions to Class members and to pay administrative costs and fees, as follows:

Class members have submitted 1,949 approved claims, and the current balance of the settlement funds is approximately \$650,000.<sup>1</sup>

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<sup>1</sup> Details of the settlements in this case appear, *inter alia*, in

(a) Memorandum of Plaintiffs and the Class in Support of the Preliminary Approval of Partial Settlement, filed August 11, 2000;

(b) Plaintiffs' Motion For Final Approval of Settlement and Petition of Class Counsel for An Award of Attorneys' Fees and Reimbursement of Litigation Costs and Expenses, and accompanying supporting memorandum, filed on October 25, 2002; and

(c) Plaintiff's Motion For an Order: (1) Modifying Prior Judgment in Order to Grant Preliminary and Final Approval of Proposed Settlement; Approve the Manner and Content of Summary Notice of Proposed Settlement; and Set Date For Hearing on Final Approval; and (2) Enter an Order of Certification Pursuant to Circuit Rule 57, filed July 7, 2003.

(continued...)

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Plaintiff's Counsel has outstanding time through September 30, 2003 totaling \$42,427.50. In addition, there are substantial and time-consuming tasks remaining to complete the administration of the settlements, including compiling the final class list and addresses; performing a 'quality control' audit of a sampling of the approved claims; calculating the amount due for each claim, deleting claims entitled to less than \$10, and recomputing the final amounts due on all remaining claims; obtaining the Court's approval of the proposed distributions; coordinating and overseeing the cutting and mailing of checks; preparing letters explaining the method of calculation payments, as well as the fact that some claims (less than \$10) will not be paid; communicating with Class members regarding payments and other matters related to the settlement and their claims; monitoring returned, missing and uncashed checks; monitoring the Settlement Fund's bank account and investment; searching for missing Class members and processing and mailing replacement checks; coordinating tax returns; reporting to the Court; and arranging and making a distribution of remaining funds.

Plaintiff's Counsel anticipate that this remaining work will require in excess of 200 additional hours of attorney, clerk and paralegal time. Although at their regular hourly rates, the fees for such time would likely exceed \$50,000, assuming there is no unanticipated event requiring substantial additional time beyond that described here, Plaintiff's Counsel agree to cap their requested future fees and costs at \$40,000<sup>2</sup>.

As their final fee request, Plaintiff's Counsel now seek reimbursement at this time of their current outstanding fees, and \$40,000.00 for future fees and current and future costs, for a total of

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<sup>1</sup> (...continued)

Attached hereto is a schedule of the previously approved costs and fees.

<sup>2</sup> Plaintiff's Counsel also has incurred out of pocket costs of approximately \$675, and future costs will probably be about the same amount. The requested fee for the remaining work is inclusive of any such costs.

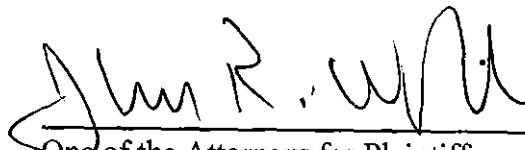
\$82,427.50. Should their actual future fees and costs be less than the anticipated amount, Plaintiff's Counsel, with the Court's approval, will make an appropriate adjustment.

Finally, there will be additional costs for tax preparation for tax years 2003 and 2004 of \$1,000 and check processing fees of \$15,000. Thus, the total remaining fees and costs are \$98,247.50. Subtracting that amount from the current balance leaves approximately \$552,400. Plaintiff's Counsel recommends that the Court authorize payments to Class members of \$550,000, which will leave a small amount to cover unanticipated costs. Upon the Court's approval of the current request, Plaintiff's Counsel will compute and present to the Court a schedule of proposed distributions to Class members.

Therefore, Plaintiff's Counsel now requests approval to make the following payments:

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|-----|--|----------------|
| (a) | Tax preparation -<br>Joseph Izen and Associates              | \$ 1,000.00    |
| (b) | Check preparation and mailing -<br>Mulholland and Associates | \$ 15,000.00   |
| (c) | Administrative Fees and Costs -<br>Susman & Watkins          | \$ \$82,427.50 |

A proposed Order is attached hereto as Exhibit A.

  
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One of the Attorneys for Plaintiff

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Dated: October 6, 2003